

State Tax Commission

Analyst: Hancock

Historical Summary

OPERATING BUDGET	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp	FY 2003 Request	FY 2003 Gov Rec
BY PROGRAM					
General Services	8,932,600	12,594,800	15,915,700	9,354,100	7,768,200
Audit and Collections	12,514,200	12,362,400	13,911,900	14,327,100	13,508,100
Revenue Operations	4,527,100	4,676,100	4,810,500	4,858,100	4,670,100
County Support	2,634,300	2,620,300	2,974,700	3,030,200	2,943,700
Total:	28,608,200	32,253,600	37,612,800	31,569,500	28,890,100
BY FUND CATEGORY					
General	24,662,500	27,949,000	32,468,300	26,885,800	24,318,600
Dedicated	3,862,600	4,239,200	5,144,500	4,683,700	4,571,500
Federal	83,100	65,400	0	0	0
Total:	28,608,200	32,253,600	37,612,800	31,569,500	28,890,100
Percent Change:		12.7%	16.6%	(16.1%)	(23.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	19,016,700	18,940,000	21,087,100	21,629,800	20,897,600
Operating Expenditures	8,380,700	11,584,400	15,902,100	8,863,100	7,809,500
Capital Outlay	1,210,800	1,729,200	623,600	1,076,600	183,000
Total:	28,608,200	32,253,600	37,612,800	31,569,500	28,890,100
Full-Time Positions (FTP)	414.00	415.00	415.00	415.00	415.00

Division Description

The State Tax Commission has four budgeted programs: General Services, Audit and Collections, Revenue Operations, and County Support. 1.) The General Services program consists of the Commissioners, Administrative Section, Legal Section, Tax Policy Section, Information Technology Section, and the Management Services Division. This organizational structure provides for centralized management, policy development, legal, personnel, fiscal and computer services. 2.) The Audit and Collections program provides direct taxpayer service to the public from the administrative office in Boise and five field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at non-filers and administers Idaho's unclaimed property statutes. 3.) Revenue Operations administers the voluntary tax compliance program. Activities include: a) registering permit holders for sales, withholding, hotel/motel, special fuels, beer, wine, cigarette and tobacco taxes; b) ensuring that all individuals and licensed businesses are mailed proper tax forms for reporting; c) establishing taxpayer liability, as well as processing revenue and refund documents submitted by taxpayers; and d) maintaining a records system capable of providing individuals with tax documents. 4.) The County Support Program provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable, and accurate property taxation. The program is responsible: to annually appraise all class three operating property, as required by Section 63-2215, Idaho Code; to examine property tax levies of all taxing districts to ensure compliance with Idaho Code; to develop forms, procedures and computer software necessary for county assessors to appraise property; to develop an assessor's manual in order to facilitate uniformity of appraisals; and to administer property tax relief through the Circuit Breaker program.

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Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
FY 2002 Original Appropriation	32,468,300	37,612,800	32,468,300	37,612,800
Holdback/Neg. Supp	(819,600)	(887,600)	(887,600)	(887,600)
FY 2002 Total Appropriation	31,648,700	36,725,200	31,580,700	36,725,200
Expenditure Adjustments	0	94,800	0	94,800
FY 2002 Estimated Expenditures	31,648,700	36,820,000	31,580,700	36,820,000
Removal of One-Time Expenditures	(7,774,800)	(8,709,900)	(7,774,800)	(8,709,900)
Base Adjustments	(153,400)	(163,500)	(153,400)	(163,500)
Restore Holdback/Neg. Supp	819,600	887,600	887,600	887,600
Permanent Base Reduction	0	0	(887,600)	(887,600)
FY 2003 Base	24,540,100	28,834,200	23,652,500	27,946,600
Personnel Cost Rollups	89,400	103,300	89,400	103,300
Inflationary Adjustments	66,100	110,600	0	0
Replacement Items	1,191,800	1,328,300	235,900	372,400
Nonstandard Adjustments	544,200	584,400	340,800	354,200
Change in Employee Compensation	159,800	186,200	0	0
FY 2003 Program Maintenance	26,591,400	31,147,000	24,318,600	28,776,500
1. IT Security & Disaster Recovery	130,500	145,000	0	0
2. Temporary Staffing	163,900	277,500	0	113,600
FY 2003 Total	26,885,800	31,569,500	24,318,600	28,890,100
Change from Original Appropriation	(5,582,500)	(6,043,300)	(8,149,700)	(8,722,700)
% Change from Original Appropriation	(17.2%)	(16.1%)	(25.1%)	(23.2%)
Change in FTP's		0.00		0.00

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2002 Original Appropriation					
	415.00	32,468,300	5,144,500	0	37,612,800
Holdback/Neg. Supp					
Reflects 3% executive holdback.					
Agency Request	0.00	(819,600)	(68,000)	0	(887,600)
Governor's Recommendation	0.00	(887,600)	0	0	(887,600)
FY 2002 Total Appropriation					
Agency Request	415.00	31,648,700	5,076,500	0	36,725,200
Governor's Recommendation	415.00	31,580,700	5,144,500	0	36,725,200
Expenditure Adjustments					
Expenditure Adjustments include \$94,800 in non-cognizable federal motor fuel grants and a shift of 0.50 FTP from the General Fund to fuel tax funds.					
Agency Request	0.00	0	0	94,800	94,800
Governor's Recommendation	0.00	0	0	94,800	94,800
FY 2002 Estimated Expenditures					
Agency Request	415.00	31,648,700	5,076,500	94,800	36,820,000
Governor's Recommendation	415.00	31,580,700	5,144,500	94,800	36,820,000
Removal of One-Time Expenditures					
Removes funding provided for one-time items.					
Agency Request	0.00	(7,774,800)	(840,300)	(94,800)	(8,709,900)
Governor's Recommendation	0.00	(7,774,800)	(840,300)	(94,800)	(8,709,900)
Base Adjustments					
Base Adjustments include the removal of \$163,500 in funding for an optical scanning equipment lease that has now expired.					
Agency Request	0.00	(153,400)	(10,100)	0	(163,500)
Governor's Recommendation	0.00	(153,400)	(10,100)	0	(163,500)
Restore Holdback/Neg. Supp					
Agency Request	0.00	819,600	68,000	0	887,600
Governor's Recommendation	0.00	887,600	0	0	887,600
Permanent Base Reduction					
Agency Request	0.00	0	0	0	0
Base reduction effectively makes the 3% holdback permanent.					
Governor's Recommendation	0.00	(887,600)	0	0	(887,600)
FY 2003 Base					
Agency Request	415.00	24,540,100	4,294,100	0	28,834,200
Governor's Recommendation	415.00	23,652,500	4,294,100	0	27,946,600
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	89,400	13,900	0	103,300
Governor's Recommendation	0.00	89,400	13,900	0	103,300

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
Includes a general inflationary increase of 1.7% in operating expenditures.					
Agency Request	0.00	66,100	44,500	0	110,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Replacement Items					
Replacement operating expenditures include \$237,200 in ongoing costs for software maintenance, \$35,000 for software upgrades, and \$70,000 for telephone system upgrades. Replacement capital outlay includes \$102,000 for five vehicles, \$49,200 for miscellaneous furnishings and office items, \$3,000 for shelving, \$4,000 for a pallet jack, \$80,000 for a computer room power conditioner, \$28,600 for 13 ethernet switches and hubs, \$145,200 for 11 network servers, \$7,600 for a network storage device, \$441,200 for 212 computers, \$50,800 for 52 printers, \$19,800 for five computer projectors, \$500 for digital camera, \$1,800 for three modems, \$500 for server equipment, \$4,500 for a humidifier, \$10,000 for an envelope slicer, \$400 for a portable compressor, \$7,000 for mail sorting bins and tables, and \$30,000 for an AS/400 upgrade.					
Agency Request	0.00	1,191,800	136,500	0	1,328,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>235,900</i>	<i>136,500</i>	<i>0</i>	<i>372,400</i>

Nonstandard Adjustments					
Non-Standard Adjustments include \$251,900 for increased building space costs, \$55,100 for increased Attorney General fees, \$27,900 for increased State Controller fees, and \$271,200 for increased State Treasurer fees.					
Agency Request	0.00	544,200	40,200	0	584,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>340,800</i>	<i>13,400</i>	<i>0</i>	<i>354,200</i>

Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions and requests a 1% pay increase for commissioners. Any increase in commissioner pay would require the Legislature to first amend state law.					
Agency Request	0.00	159,800	26,400	0	186,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2003 Program Maintenance					
Agency Request	415.00	26,591,400	4,555,600	0	31,147,000
<i>Governor's Recommendation</i>	<i>415.00</i>	<i>24,318,600</i>	<i>4,457,900</i>	<i>0</i>	<i>28,776,500</i>

1.IT Security & Disaster Recovery

This enhancement would provide one-time funding from the General Fund and Fuel Tax funds to improve the Tax Commission's computer security and disaster recovery capabilities. Funds would pay for network intrusion security software, disaster recovery planning efforts, and network hardware.

Agency Request	0.00	130,500	14,500	0	145,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Temporary Staffing

This enhancement would provide ongoing funding from the General Fund and the Unclaimed Property Fund to increase temporary staffing levels. General Fund monies would pay for increased staffing in the areas of taxpayer services and compliance. Unclaimed Property Fund monies would pay for increased staffing for the Unclaimed Property program. The Tax Commission currently spends about \$120,000 a year for temporary staffing in the areas of taxpayer services and compliance. These funds primarily come from salary savings. The Unclaimed Property program currently costs approximately \$400,000 a year to administer. The Tax Commission estimates that funding the General Fund portion of this request will result in an additional \$500,000 a year in General Fund collections through more timely responses to taxpayers, and by freeing up existing compliance staff from having to spend as much time on clerical work.

Agency Request	0.00	163,900	113,600	0	277,500
Governor's Recommendation	0.00	0	113,600	0	113,600

FY 2003 Total					
Agency Request	415.00	26,885,800	4,683,700	0	31,569,500
Governor's Recommendation	415.00	24,318,600	4,571,500	0	28,890,100

Agency Request

Change from Original App	0.00	(5,582,500)	(460,800)	0	(6,043,300)
% Change from Original App	0.0%	(17.2%)	(9.0%)		(16.1%)

Governor's Recommendation

Change from Original App	0.00	(8,149,700)	(573,000)	0	(8,722,700)
% Change from Original App	0.0%	(25.1%)	(11.1%)		(23.2%)

Tax Commission

Issues & Information

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Organizational Chart

